

# COMMITTEE STATEMENT

## LB 918

HEARING DATE: January 24, 2000

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Bruning) Change provisions of the Nebraska Time-Share Act

### ROLL CALL VOTE – FINAL COMMITTEE ACTION

---

X Advanced to General File

Advanced to General File with Amendments

Indefinitely Postponed

#### Vote Results:

7	Yes	Senators Tyson, Aguilar, Bourne, Bruning, Jensen, Kremer, Schmitt
	No	
	Present, not voting	
	Absent	

---

#### PROPOSERS

Senator Jon Bruning  
Les Tyrrell

---

#### REPRESENTING

Introducer  
NE Real Estate Commission

---

#### OPPOSERS

---

#### REPRESENTING

---

#### NEUTRAL

---

#### REPRESENTING

#### SUMMARY OF PURPOSE AND/OR CHANGES:

LB 918 (Bruning) would amend various sections of the Nebraska Time-Share Act to strengthen consumer protection provisions.

The bill would provide, section by section, as follows:

Sections 1, 3, 8, 9, 10, and 11. Would amend sections 76-1701, 76-1703, 76-1719, 76-1722, 76-1725, and 76-1726 of the Nebraska Time-Share Act to make technical changes and harmonize provisions;

## COMMITTEE STATEMENT

Section 2. would amend section 76-1702 of the Nebraska Time-Share Act to provide that the definition of “offering” means any offer to sell, solicitation, inducement, or advertisement by “any means of communication,” and not just by radio, television, newspaper, magazine, or mail, and to repeal provisions which provide that any offering of a time-share interval which is not located in this state shall not be an offering if the offer states that the time-share program is in compliance with the law of the jurisdiction in which the time-share interval is located;

Sections 4 and 6. would amend sections 76-1713 and 76-1716 of the Nebraska Time-Share Act to provide that a contract for purchase of a time-share interval may be cancelled within three “business” days rather than three calendar days after receipt of the public-offering statement by the purchaser;

Section 5. would amend section 76-1715 of the Nebraska Time-Share Act which requires that a deposit made in connection with the purchase or reservation of a time-share interval from a developer shall be placed in escrow, to provide that the escrow account may be held in another state where the time-share project is located if the account is designated solely for the purpose and is insured, if the escrow agent is subject to the personal jurisdiction and venue of the district court in Nebraska located in the county of the purchaser’s residence or principal office, and if the State Real Estate Commission is authorized to examine the account, and to provide that in lieu of placing deposits in an escrow account, the State Real Estate Commission may accept from the developer a \$50,000 surety bond to cover any default by the developer;

Section 7. would amend section 76-1718 of the Nebraska Time-Share Act to provide that a developer is not required to prepare and distribute a public-offering statement if the developer has registered and there has been issued a public-offering statement under the “act of the state where the time-share project is located” and not just under any state act;

Section 12. would amend section 76-1727 of the Nebraska Time-Share Act to provide that a developer shall not offer or dispose of a time-share interval if the developer has not designated a duly licensed Nebraska real estate broker residing in this state who accepts responsibility for the developer’s actions in this state;

Section 13. would amend section 76-1732 of the Nebraska Time-Share Act to provide for when an exchange agent shall file a statement with the State Real Estate Commission containing exchange-of-occupancy rights information also required to be disclosed in public-offering statements;

Section 14. would amend section 76-1734 of the Nebraska Time-Share Act to provide that a developer’s application for registration may contain a current audited consolidated financial statement in lieu of the required certified, audited financial statement, and which includes the financial condition of the developer and is

## COMMITTEE STATEMENT

accompanied by a statement from the developer's parent organization that guarantees the developer's performance on any obligation under the act, and to provide requirements for a registration certificate holder to furnish the State Real Estate Commission with an annual report of purchases and reservations made to any person in this state;

Section 15. would amend section 76-1736 of the Nebraska Time-Share Act to provide that if a developer making an application for registration or amendment thereto fails to provide any additional information as required by the State Real Estate Commission, the commission may deny the application or amendment;

Section 16. would amend section 76-1738 of the Nebraska Time-Share Act to provide that no registration with the State Real Estate Commission shall be required in the case of any offering, other than through an individual while in this state, of a time-share interval for a time-share project situated outside this state if the offer states that the time-share interval is in compliance with the law of the jurisdiction in which the time-share interval is located;

Section 17. would enact a new section in the Nebraska Time-Share Act to provide that a developer shall supervise, manage, and control all aspects of the offering of a time-share interval, including promotion, advertising, contracting, and closing; and

Section 18. would provide repealers.

EXPLANATION OF AMENDMENTS, IF ANY:

---

Senator David Landis